Allied powers (1919-) REPARATION COMMISSION.

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II.

AGREEMENTS

Concerning Deliveries in Kind to be made by Germany under the heading of Reparations.

LONDON:
PRINTED & PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE
To be purchased through any Bookseller or directly from H.M. STATIONERY OFFICE at the following addresses: Imperial House, Kingsway, London, W.C.2, and 28 Abingdon Street, London, S.W.1; 37 Peter Street, Manchester; 1 St. Andrew's Crescent, Cardiff; or 23 Forth Street, Edinburgh.

1922

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1.

WIESBADEN AGREEMENT.

PROTOCOL OF OCTOBER 6, 1921.

With a view to facilitating the reconstruction of the devastated regions, the French and German Governments have agreed to approve and carry out the provisions of the enclosed Memorandum and of its Annex.

It is understood that in the event of any discrepancy between the French and German text of the Protocol, the Memorandum and its Annex, the French text will be authentic.

In witness whereof, the undersigned, duly authorised by their respective Governments, have signed the present Protocol and initialled the above-mentioned Memorandum and its Annex.

Given in two copies at Wiesbaden.

This sixth day of October, one thousand nine hundred and twenty-one.

(Signed) LOUCHEUR.
RATHENAU.

MEMORANDUM OF OCTOBER 6, 1921.

The German Government has expressed its earnest desire to participate in the reconstruction of the devastated regions by delivering the greatest possible amount of plant and materials.(1)

The French Government took note of this offer but replied that the law of April 17th, 1919, relating to the reparation of war damages did not allow it to impose upon the French " sinistrés "

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(1) Paragraph 2 of the Minutes of Wiesbaden, October 7:

M. Loucheur observed that, in his opinion, the term " matériel et matériaux " (plant and materials), which had been employed in the Memorandum and its Annex, did not exclude any products destined for the reconstruction of the devastated regions, such as agricultural and textile products.

Herr Rathenau declared that he attached the same interpretation to these words as M. Loucheur.

any definite utilisation of their funds, and that in consequence the present memorandum could in no way supersede this law.

The following has therefore been agreed :

I.

There shall be formed in Germany an " organisme de droit privé " for the delivery of plant and materials(1) that may be required by the French " sinistrés " grouped in a manner to be determined later by the French Government.

The enclosed Annex fixes the rules which shall be followed by these organisations in regard to the fixing of prices and the methods of settling for such goods.

II.

The German Government declares that if, contrary to the argument that it advanced before the Committee of Guarantees, the Reparation Commission should decide that the deliveries made in execution of the obligations under Part VIII of the Treaty of Versailles are to be included in the exports referred to in Articles 4 and 7 of the Schedule of Payments, it will be unable to execute the provisions of the present Memorandum and its Annex unless the provisions of Articles 6 and 7 of the Schedule of Payments are applied to the deliveries referred to in the present Memorandum with the following modifications :

The levy of 26 per cent. mentioned in Article 4 and that of 25 per cent. mentioned in Article 7 shall be made in the course of any year whatsoever during the period of the application of the present Memorandum and its Annex, on that part only of the value of the deliveries credited to Germany and debited to France during the same year.

The balance of the levy shall be paid by Germany each year as from May 1, 1926, at the rate of 26 per cent. and 25 per cent. respectively on the sums credited to her during the said year in connection with these deliveries.

In other words, the deliveries effected in application of the provisions of the present Memorandum shall only be included each year in the total German exports, for the execution of Articles 4 and 7 of the Schedule of Payments, *pari passu* with their payment.

As this question is exclusively within the competence of the Reparation Commission and the Committee of Guarantees, it shall be submitted to them by the German Government. The French Government will support the German request before these two organisations.

(1) *See* footnote on previous page.

III.

The French Government will submit to the approval of the Reparation Commission any other provisions of the present Memorandum and of its Annex that may concern the Commission.

IV.

The deliveries prescribed in Annexes III, V and VI to Part VIII of the Treaty of Versailles will be continued in accordance with the procedure laid down in the Treaty.

The French Government declares that, in so far as it is concerned, it is prepared to accept the application of the procedure laid down in the present Memorandum and Annex, by analogy with the provisions of Article 8 of the Schedule of Payments, in so far as it will ensure the satisfactory delivery of plant and materials required in the reconstruction of the devastated regions and subject to the definite orders placed under Annex IV prior to the signing of the present document; these orders shall continue to be executed in conformity with the procedure of Annex IV.

The French Government however reserves the right to revert wholly or partially to this procedure, if it think fit, by giving notice one year in advance; also, by giving notice to the French Government one year in advance, not before May 1, 1923, the German Government may denounce the arrangements concluded by virtue of the present Memorandum, with a view to reverting to the procedure of Annex IV and Article 8 of the Schedule of Payments.

If, on the initiative of either Government, the procedure of Annex IV and Article 8 of the Schedule of Payments be reverted to, the German Government waives the right to claim any prescription whatsoever, in so far as the execution of Annex IV is concerned, in regard to the time limits on account of the periods that have run during the application of the present Memorandum.

The provisions of Article 8 of the Schedule of Payments which do not concern the restoration of the devastated regions are not affected by the present Memorandum and its Annex.

V.

The French and German Governments agree to take the measures necessary to exempt the organisations whose creation is provided for in Paragraph 1 of the present Memorandum from stamp duties, registration fees and similar taxes that might be due in connection with the deeds which they will have to draw up between them in execution of the enclosed Annex.

VI.

The French Government undertakes to adopt the necessary measures to ensure that the deliveries of plant and materials made in application of the present memorandum and its Annex are applied only to the reconstitution of the devastated regions.

VII.

The application if necessary of paragraph 18 of Annex II to Part VIII of the Treaty of Versailles shall not constitute an obstacle to the crediting of Germany, in the form prescribed in Article VI of the Annex to the present memorandum, of the sums due from F to A.

In the same way, the stocks of goods which the private organisation mentioned in Article I may have accumulated in France with a view to possible deliveries, and the funds which this organisation may have constituted in France in view of the execution of the provisions of the Annex to the present memorandum cannot be seized by virtue of the said paragraph 18.

ANNEX TO THE MEMORANDUM.

Agreement between F (1)
of the one part,
And A
of the second part,
It has been agreed as follows:

Article I.

A undertakes to deliver to F at the request of the latter all plant and materials compatible with the productive capacity of Germany, her supply of raw materials and her domestic requirements, in so far as essential to the maintenance of her social and economic life, such deliveries to begin with the signing of the Protocol to which the present contract is annexed(2).

The present contract shall not, however, include the products prescribed in Annexes III, V and VI to Part VIII of the Treaty of Versailles.

---

(1) F represents the French "sinistrés" in general and A the German company referred to in paragraph 1 of the Memorandum.

(2) Extract from the Minutes of Wiesbaden, October 7 (Par. 1):

In regard to the terms of Art. I of the Annex to the Memorandum, according to which the deliveries should commence from the date of the signing of the covering Protocol, Herr Rathenau remarked that a certain period would be required in order to enable Germany to create the organisation to be entrusted with the deliveries.

He asked the Meeting to agree that these deliveries would be effected as from December 1, 1921, provided that the Reparation Commission announced its decision before October 25, 1921. If the decision was adopted after October 25, the time limit would be extended beyond December 1 by a corresponding number of days.

M. Loucheur signified his agreement to this proposal.

The aggregate value of the deliveries to be made by Germany to France in execution of Annexes III, V and VI, and of the deliveries to be made by A to F in execution of the present contract, shall not exceed seven milliard gold marks during the period October 1, 1921, to May 1, 1926.

ARTICLE II.

Upon the signing of the present contract a Commission shall be created consisting of three members, one French and one German, to be nominated at the request of F and A by their respective Governments, and a third member to be selected by common agreement between the two Governments, whose mandate shall be limited to one year. Failing an agreement in regard to the choice of this third member, he shall be nominated by the President of the Swiss Confederation for the time being. The Commission may secure the services, in a consultative capacity, of such experts as it may deem necessary.

The cost of this Commission and of its services shall be paid by A but debited to F to the extent of 50 per cent.

The Commission shall arbitrate all disputes that may arise between the two parties in connection with reasonable capacity of A to satisfy the requirements of F, special account being taken of the provisions of Article I.

It shall settle all questions of prices in accordance with the conditions laid down by Article IV and V of the present contract.

It shall settle all differences between F and A, particularly in regard to transportation, delivery, reception, etc., and, in a general way, to the interpretation of the present contract.

The decisions of the Commission shall be final.

ARTICLE III.

All goods shall be of good and marketable quality, in accordance with the specifications upon which the orders are based, these orders being placed under the conditions and subject to the reservations laid down in Articles I and II.

In the absence of any special agreements, transportation shall be effected by the method of transport and in conformity with the itinerary that would normally be adopted as being the most advantageous by the consignor if he were bearing the cost of transport for the entire journey.

Conditions of transport, delivery, reception, etc., shall be in accordance with commercial custom.

Article IV(1).

The prices for stock material and goods manufactured in bulk shall be determined by the Arbitral Commission in accordance with the following principles. They shall not be applied to the orders placed by F with A, except in cases where no direct agreement has been concluded between the two parties :

For each category and quality of goods, the Commission shall first of all fix the gold mark equivalent of the French pre-war price (first quarter of 1914), at the rate of 1·235 francs per 1 gold mark.

It shall then determine, at the beginning of each calendar quarter and for that quarter, a coefficient applicable to the said category and quality of goods, and which may vary from one category and quality of goods to another. This coefficient shall be such that when applied to the price in gold marks defined in the preceding paragraph, and when the result is converted into francs, the resulting figure is equal to the price normally current at the beginning of the quarter on the French home market for goods of a similar category and quality, minus :—

(*a*) Customs duties ;

(*b*) Cost of transport.

In the latter calculation the conversion into francs shall be based on the average of the official rates of exchange of the gold dollar quoted on the Paris Bourse during the 15 days preceding the beginning of the quarter.

The Customs Duties to be deducted shall be determined by multiplying by the above coefficient the duty levied in France on July 1, 1914, on German goods of the categories and qualities in question. The amount deducted shall, however, not exceed the duty levied at the beginning of the quarter on the German goods in question.

The lump-sum cost of transportation to be deducted shall be determined on the basis of the scales normally in force on the railways at the beginning of the quarter and for the distance between Aix-la-Chapelle and Saint-Quentin.

The gold mark prices obtained by the application of the above coefficients to the 1914 gold mark prices refer to prices at the German-Belgian or Franco-German frontier stations, or in port in the North of France as far as and including the ports of the estuary of the Seine.

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(1) Extract from the Minutes of Wiesbaden, October 7 (Par. 3):

Herr Rathenau observed that, in order to secure the full effect of the arrangement concluded, it was important that it should be to the interest of the French sinistrés to purchase, and that to this end price should not be so fixed that the French sinistré would have to pay a price considerably higher than the French home price; it was desirable that the French Government should take effective measures to this end.

M. Loucheur replied that the French Government would attend to the necessary adjustments.

These prices shall be valid for all orders placed during the quarter for which they have been determined.

They shall be revised in due time every quarter and in such a way as not to delay the placing of orders.

The first schedule of prices shall as far as possible be prepared before October 1, 1921, in order that it may be applied to orders for the last quarter, 1921; it may be completed retroactively if necessary.

In case the prices fixed as above are more than 5 per cent. lower than the prices current in Germany for the same goods, A shall have the right not to carry out the delivery requested(1). Nevertheless, in cases which may be laid before it by F, the Commission referred to in Article II shall decide whether the goods requested cannot actually be obtained in Germany except at prices more than 5 per cent. higher than those which have been fixed in the conditions laid down in the present Article. It is further prescribed that the value of the deliveries the price of which is thus lower than the prices current in Germany, shall not exceed 5 per cent. of the deliveries made during the year in question.

Article V.

The prices of special material such as machinery or industrial plant shall be determined by direct agreement between the parties concerned.

Failing such direct agreement in regard to any special material which, in application of Annex IV, has been included in the lists delivered to Germany, the French Government may claim delivery through the Reparation Commission, in accordance with the procedure of Annex IV.

Article VI.

A hereby declares himself acquainted with the provisions of the Schedule of Payments notified to the German Government by the Reparation Commission on May 5, 1921, and agrees, on receipt of a notification from F, to consider himself as duly paid out of the sums due during the corresponding year by the entry of any sum whatsoever to the credit of Germany and to the debit of France in the accounts of the Reparation Commission. In this case, the simple notification by the Reparation Commission to the German Government of a credit entry to Germany of the sum in question shall be equivalent to a discharge of F in regard to A for this amount.

---

(1) Extract from the Minutes of Wiesbaden, October 7 (Par. 4):

In reply to a question by M. Loucheur as to the meaning of the last paragraph of Art. IV, Herr Rathenau explained that if the French sinistré is prepared to pay the German home price, A would undoubtedly have to supply the corresponding product.

Article VII.

Settlement for the deliveries by F to A shall be effected under the following conditions :—

1. F shall credit A with a sum equal to 35 per cent. of the value of the deliveries made in the course of a month in the manner prescribed in Article VI above, and subject to the provisions of paragraphs 3 and 4 of the present Article and of Article XI hereinafter. (1)

2. If in the course of any year whatsoever beginning with May 1, 1922, the value of the deliveries made by A to F under the terms of the present contract is less than one milliard gold marks, the percentage prescribed in paragraph 1 above of the credits to be given by F to A, shall be increased to 45 per cent.

3. The cumulative total of the annual credits thus given and of the annual credits given by the French Government against the deliveries received by France under Annexes III, V and VI to Part VIII of the Treaty of Versailles, shall not exceed one milliard gold marks.

If the value of the deliveries received by France in execution of Annexes III, V and VI of the Treaty reaches or exceeds one milliard gold marks during any one year between May 1, 1921, and May 1, 1926, no credit shall be given in the corresponding year by F to A in respect of the deliveries made by the latter.

4. The sums due from F shall bear simple interest at the rate of 5 per cent. per annum as from the beginning of the month following that of the delivery; the part of these sums for which the settlement prescribed by paragraphs 1 and 2 above has not been effected shall be repayable by F under the conditions determined in Articles VIII to XI hereinafter, as from May 1, 1926, and at the rate of 10 per cent. per annum plus the simple interest accrued each year.

5. The deliveries which, notwithstanding the provisions of Article I, may have been effected between October 1, 1921, and May 1, 1926, over and above a total value of seven milliard gold marks shall, within a period of three months, as from May 1, 1926, be paid to A in the manner prescribed in Article VI above.

Article VIII.

The aggregate value of the deliveries in kind and of the credits given by F to A in the manner prescribed in Article VI shall not exceed one milliard gold marks per annum.

The reserve inserted in Article XI applies to the above paragraph.

---

(1) The following additional paragraph should be inserted here (Letter from M. Loucheur to Herr Rathenau, October 7, 1921, at Wiesbaden):

"During the first five years as from the coming into force of the present contract, F shall credit A with the total value of the first deliveries made in the course of any year whatsoever in the manner prescribed in Article VI up to a total amount of 32 million gold marks."

ARTICLE IX.

On May 1, 1936, a computation will be made of the sums remaining due to A, for deliveries in kind made since October 1, 1921, for which no credit has been given; the balance will be paid to A with compound interest at 5 per cent.(1) in four half-yearly payments, on June 30 and December 31, 1936, and June 30 and December 31, 1937, subject to the provisions of Article XI below.

ARTICLE X.

A's debit account, as well as his credit account, will bear 5 per cent. simple interest per annum.

In case F has effected settlements in excess of the limits fixed in Articles VII, VIII, and XI, the surplus will be deducted from the settlements to be effected by F to A in the course of the following year.

In case the value to be taken into account under the terms of the present contract for the deliveries made during any year whatsoever between May 1, 1926, and May 1, 1936, together with the yearly repayments to be made during the same period, amounts to more than one milliard gold marks, the surplus shall be carried forward successively to each of the following years, and settled in the course of these years in so far as the value to be taken into account for the deliveries made during one of these years, together with the yearly repayment due, is less than one milliard.

The above provisions are, however, subject to the reservation made in Article XI below.

ARTICLE XI.

The settlements to be effected each year by F to A, in application of the present contract shall never exceed an amount such that, by adding this amount to the settlements effected during the same year by the French Government against deliveries made to France under Annexes III, V and VI to Part VIII of the Treaty of Versailles, a total is obtained higher than France's share (52 per cent.) in the payments made by Germany or on her behalf during the said year, in payment of her debt of that year, as defined in Article 4 of the Schedule of Payments.

Beginning with May 1, 1936, A shall be entitled not to make the further deliveries asked from him by F, whenever the execution of these deliveries would bring the obligations of F to give credit to A to an amount exceeding, for one year, the limit fixed by the present Article.

ARTICLE XII.

F may at any time pay off his debts before maturity.

---

(1) Extract from the Minutes of Wiesbaden, October 7 (Par. 5):

It was agreed that the 5 per cent. compound interest on the sums still owing to A on May 1, 1936, for deliveries in kind made since October 1, 1921, for which he had received no credit, would be computed as from the said date to May 1, 1936.

DECISIONS OF THE REPARATION COMMISSION, MARCH 31, 1921.

Special Accounting Arrangements occurring in Agreements between the German Government and individual Allied Powers.

1. *Accounting Arrangements in regard to Reparation are governed exclusively by the provisions of the respective treaties of peace and by the general rules laid down or the specific decisions taken by the Reparation Commission thereunder.*

2. *The Reparation Commission will nevertheless be prepared in suitable cases to take note of special arrangements occurring in Agreements between the German Government and individual Powers and to give effect thereto in so far as they affect the reparation accounts, subject to the following reserves:*

(a) *That the provisions of Article 248 and the priorities laid down in Article 251 of the Treaty of Versailles and the corresponding provisions of the other Peace Treaties are not infringed:*

(b) *That the interests of other Powers entitled to reparation are not invaded.*

(c) *That the general provisions laid down by the Treaties and by the Commission in regard to accounting arrangements are duly observed.*

3. *The facilities contemplated by paragraph 2 above are accorded on the condition that all such special arrangements are reported to the Commission at the time they are entered into.*

4. *The Commission reserves the right to make, both at the time when it takes note of such special arrangements and when it comes subsequently to apply them, such modifications therein as it may deem to be necessary to give effect to the above reserves.*

Protocol Signed at Wiesbaden on October 6, 1921.

1. *The Reparation Commission takes note of the Protocol signed at Wiesbaden on October 6, 1921,*[1] *and of the appended documents*[2] *as well as of the amendments to these documents contained in the letter of M. Loucheur,*[3] *and approves their application within the limits set down by the Financial Arrangement of*

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(1) *See* page 3.
(2) *See* pages 3 and 6.
(3) *See* footnote on page 10.

March 11, 1922,(1) *and under the supplementary conditions set forth hereinafter.*

(a) *The rights of the Powers not represented at the Conference of Finance Ministers of March 11 are reserved;*

(b) *The right of the French Government to take advantage of the terms of the draft agreement concluded on March 15, 1922, between the Representatives of the French and German Governments, is reserved;*(2)

(c) *The Reparation Commission takes note of the accounting arrangements contained in the above documents, and will give effect thereto in so far as it is concerned, subject to the provisions of Decision No. 1 above.*(3)

2. *It is decided that, in regard to the application of Article 4 of the Schedule of Payments,*(4) *the portion of the value of deliveries in kind the payment for which, under the Agreement, is deferred, shall not be included in the total value of exports for the year of delivery; on the other hand, the amount credited to Germany for deliveries in kind, the payment of which has been deferred, will be added to the total value of exports for the year in which the credit is passed.*

---

(1) Article IV of the Financial Arrangement of March 11, 1922:

The Governments represented by the undersigned consent to the operation for a period of three years of those provisions of the Wiesbaden Agreement of October 6, 1921, to which their agreement was deemed to be necessary by the Reparation Commission, and in particular of the provisions respecting the passing of a credit to Germany and a debit against France for the value of deliveries in kind effected in execution of the Agreement, subject to the following conditions:

1. The amounts of the deferred debits shall not exceed:

350 million gold marks in 1922
750 ,, ,, 1923
750 ,, ,, 1924

2. The amount standing deferred at the end of 1924 shall be liquidated by France, with interest as provided for in the Agreement, in 10 equal annual instalments beginning on May 1, 1926, by set-off against sums due to France in each year out of reparation receipts, and unless the operation of the Agreement is continued for a longer period by agreement among the Allies, France shall, in no year subsequent to 1926, receive, whether in cash or deliveries, sums which, when added to the said instalments, would result in France receiving in that year more than her proportionate share, as determined by Inter-Allied Agreements, of the total payments by Germany in that year, including the instalments due by France.

(2) *See* page 32.

(3) *See* page 12.

(4) Article 4 of the Schedule of Payments stipulates that "Germany shall pay each year

* * * * * *

2.—(*a*) a sum equivalent to 25 per cent of the value of her exports in each period of 12 months starting from May 1, 1921, as determined by the Commission;

* * * * * *

3. A further sum equivalent to 1 per cent. of the value of her exports as above defined, or, alternatively, an equivalent amount fixed as provided above . . ."

2.

AGREEMENT OF JUNE 2, 1922, BETWEEN THE REPARATION COMMISSION AND THE GERMAN GOVERNMENT.

AGREEMENT.

The following arrangement, which is intended to establish a procedure to be followed in respect of the deliveries in kind prescribed in Annexes II and IV to Part VIII of the Treaty of Versailles, was concluded between :

M. BEMELMANS, representative of the Reparation Commission, and

Herr CUNTZE, representative of the German Government.

ARTICLE I.

The Reparation Commission and the German Government desirous of establishing a practical procedure for the deliveries in kind provided for by Annexes II and IV of Part VIII of the Treaty of Versailles, have agreed with this end in view and, subject to the exceptions referred to in the present document, to accept contracts directly concluded between Allied and German nationals in accordance with ordinary commercial practice, in which the German Government will only intervene to the extent specified in the present arrangement.

The present arrangement is concluded with a view to facilitating the payment of reparation, and is based solely on the economic considerations which govern ordinary trade.

The Allied Governments which adopt the procedure hereafter described, and the German Government which has accepted it, will be governed in applying it by these considerations only to the exclusion of all others.

ARTICLE II.

The procedure established by the present arrangement will be presented by the Reparation Commission to the different Allied Governments concerned; each of these Governments shall be free to adopt it or to reject it, it being understood that this procedure cannot be employed concurrently with another procedure, and that any Allied Government which adopts it shall be bound by all the clauses of the present arrangement.

The present arrangement shall remain in force between the Reparation Commission and the German Government until December 31, 1922, and shall continue in force thereafter from year to year unless denounced by one or other party before November 30 of each year.

Any Allied Government who adopts the present arrangement undertakes to apply it for at least six months. After this date, the Allied Government shall have the right, if the agreement does not work satisfactorily, to ask the Reparation Commission to terminate the agreement so far as that country is concerned, at least one month's notice being given.

The German Government shall equally have the right at the end of these six months and at one month's notice to ask the Reparation Commission to terminate the arrangement as regards any Allied Government which the Reparation Commission has found to have committed repeated breaches of the Agreement. The Reparation Commission shall give a final decision only in case the Allied Government fail to come to an agreement in regard to the abandonment of the present procedure.

ARTICLE III.

Any individual or corporate body residing in an Allied country and subject to its law shall be deemed to be a "national" of that country within the meaning of Article I. The expression "national" shall also include:

(*a*) Any freely constituted group(1) of "nationals" of any one allied State; and

(*b*) Any public administration purchasing for its own requirements in the manner determined by law or custom.

Advantage may also be taken of this procedure, but solely for the purpose of really making good their local damages, by all sinistrés belonging to the nationality of a country whose Government has put the present procedure into force, even if they do not reside in a country having the right to reparation.

Nothing in Articles II and IV shall prevent an Allied Government and the German Government from freely concluding with one another any contract authorised to be concluded between their nationals by the present arrangement.

ARTICLE IV.

All individuals or corporate bodies (personnes civiles et morales), having their residence in Germany and subject to German law, and in particular the producers, freely constituted groups such as the "Fachverbände" and "Landesauftragsstellen" and recognised wholesale firms, contractors and exporters, shall be deemed to be German nationals within the meaning of Article I.

(1) It is understood that the groups, offices or organisations to which, in virtue of laws or administrative regulations, the parties concerned are responsible or to which they must apply in order to place or receive "Reparation" orders, shall not be entitled either from the Allied or German side to advantages arising from direct transactions. The optional procedure laid down in the last paragraph of the present Article III shall remain open.

Commercial firms established, or hereafter established, as middlemen for these deliveries, and casual agents, shall be excluded.

Nothing in the present Article shall prevent producers from combining freely in order to effect deliveries.

ARTICLE V.

All goods, the exportation of which is absolutely prohibited or which is allowed only to the extent fixed and published in commercial journals or periodicals, shall continue to be obtained only in accordance with the procedure laid down in the Peace Treaty. A list of these goods is given in Annex A and is, at the present juncture, considered as complete. This list shall be submitted every three months for revision by the Reparation Commission in collaboration with the German Government. The first revision shall be made on October 1, 1922.

The articles mentioned in this list shall not be subject to any of the provisions of the present agreement, nor, in particular, to those set forth in Article XV.

ARTICLE VI.

The commodities mentioned hereafter shall in no circumstances be obtainable by the procedure laid down by the present document:

1. All commodities of foreign origin which have not undergone a process of transformation on German territory;

2. Foodstuffs manufactured from imported raw materials;

3. Articles in gold, platinum and silver.

ARTICLE VII

For the articles enumerated in list " B " attached, which are brought under the procedure laid down by the present Arrangement, the buyer shall pay in cash for each article directly to the seller the percentage indicated in the list.

The present Article shall not apply to goods bought by sinistrés or in order to be delivered, as they are, to sinistrés for the reconstruction of their factories, workshops, buildings and industrial equipment,(1) to the exclusion of any replacing of commercial stocks.

Furthermore, if a contract comes within the terms of the Reparation Recovery Act or any similar legislation, the amount to be paid in cash to the German exporter for articles enumerated in Annex B shall, in cases where the amount due in virtue of Annex B added to the payment due under the Reparation Recovery Act or any similar legislation exceeds the total value of the goods, be reduced by the amount of this difference.

(1) It being understood that this reconstruction need not necessarily be identical.

ARTICLE VIII.

The contracts(1) to be concluded by way of direct dealing, shall provide for deliveries of a minimum of 1,500 gold marks.

The contract—or any supplementary contracts—shall be directly negotiated between the parties concerned according to commercial practice, each party being responsible for complying with the laws and regulations of his own country, including those relating to import and to export. Mention shall be made in the contract that the parties concerned are agreed that payment shall be made on reparation account.

The contracts—or supplementary contracts—submitted for confirmation shall include the following clause :

" It is expressly agreed between the parties that the goods to which the present contract relates are intended to be employed or transformed solely in the territory of the Allied country concerned, including its dominions, colonies, protectorates and mandated territories."(2)

The contracting parties shall alone be responsible for the execution of this clause and it shall be open to them to include in the contract (or supplementary contracts) any legal penalty on which they agree ; notwithstanding, the Allied Governments who adopt the present procedure shall endeavour, within the limits of their present legislation, to prevent re-exportation.

ARTICLE IX.

These contracts (or supplementary contracts) shall as soon as they are concluded and at latest within 14 days be presented, at the instance of the Allied national, for the confirmation of the Reparation Commission, by the Allied Government concerned.

The Reparation Commission shall immediately notify the contract (or supplementary contract) to the German Government (Kriegslastenkommission) who may have been informed of the contract by its own national. This notification shall be automatic and shall be equivalent to provisional confirmation.

This confirmation shall become *ipso facto* final at the end of 14 days for contracts (and of eight days for supplementary contracts) reckoned from the date of the notification, unless one or other of

---

(1) " Contract " means :
(1) A document signed by the two parties;
(2) A firm offer, with or without specification, accepted without reserve by the buyer, by letter or by telegram;
(3) A firm demand accepted without reserve by the seller, by letter or by telegram.

" Date of the conclusion of the contract " means : either the date of the document signed by the two parties, or the date of the arrival of the letter or telegram containing acceptance of the offer or demand.

(2) This clause shall not prevent the application of the second paragraph of Article III.

the Governments concerned has submitted to the Reparation Commission within this period a request for the withdrawal of the provisional conformation formally based on one of the four following reasons :

(*a*) If the contract (or supplementary contract) is in contradiction with the present arrangement or with any future addition of this arrangement.

(*b*) If there is fraud as to the prices and conditions of the contract (or supplementary contract).

(*c*) If the decision as to the export licence has not been taken at the end of the 14 days (or eight days) referred to above.

(*d*) If the export licence is refused.

In cases (*a*) and (*b*) the Reparation Commission shall decide within eight days on the request for withdrawal thus presented to it, the Governments concerned being heard, if they so desire, within this period.

In case (*c*) the Reparation Commission shall only take a decision on the expiration of the period of eight days if, at this latter date, it has not been informed of the grant or refusal of the licence.(1)

In the case of refusal of licence under (*c*) or (*d*), the Reparation Commission shall only be entitled to require the maintenance of the confirmation after having established with the German Government that there has been discrimination.

Neither the request for the withdrawal of confirmation nor the enquiries necessary for the decision of the Reparation Commission shall delay or suspend the execution of the contract (or supplementary contract) which shall come into effect from the day of its conclusion in the absence of agreement to the contrary between the parties.

In the case of withdrawal of confirmation and in the absence of agreement to the contrary between the parties, every contract (or supplementary contract) shall continue to run between the parties as an ordinary commercial contract.

Nothing in the present Article, or in any other Article of the present arrangement, shall be interpreted as being even a tacit approval of the legality of the German export regime in regard to the provisions of the Treaty of Versailles.

Article X

The final confirmation of a contract shall have the following effects :

1. The German Government shall immediately grant the export licence if the licence is not already granted.

2. The German Government shall immediately assume all the financial obligations incurred by the Allied national in regard to

(1) If the licence is granted within this period of eight days, the confirmation naturally becomes final.

the German national, by reason of the contract (or supplementary contract) in question and at the dates of payment provided, except as regards the payments in cash provided for by Article VII.

3. The German Government shall be credited by the Reparation Commission, by the debit of the Allied country concerned, with the equivalent in gold marks of the sums thus disbursed by the German Government.

4. The Allied national will therefore remain in account solely with his own Government for the settlement of the financial obligations defined in paragraph 2 of the present Article. He will of course have to pay directly to the German national any payments in cash resulting from the application of Article VII.

5. Except as regards the financial obligations defined in paragraph 2 of the present Article, the contract (or supplementary contract) will be executed solely as between the contracting parties who will be entirely bound as regards one another by the clauses of the contract (or supplementary contract). In particular, no Government is responsible for the solvency of its own national.

Article XI.

All contracts providing for deliveries or payments which fall due at dates not more than two years later than the expiration of the present arrangement shall be entitled to be confirmed and shall be fully executed under the conditions prescribed in the present arrangement.

The payments which shall be made by Germany in virtue of the present arrangement and after its expiration shall be credited to the German Government by the Reparation Commission against Germany's obligations fixed for the corresponding financial year, the date of the credit being that at which the payment is made.

Article XII.

In order to facilitate the execution of paragraphs 2 and 3 of Article X, cheques in the form attached (Annex C) shall be drawn by the German Government on one or more banking organisations designated by it.

The use of these cheques shall be governed by the attached Note D.

The German Government formally undertakes always to maintain in the banking organisations responsible for meeting the cheques, the necessary provision to meet the said cheques on presentation; the German Government will alone be answerable for all the consequences of failure to meet a cheque except in the case provided for by paragraph 7 of the attached Note D.

ARTICLE XIII.

The German Government binds itself not to take or to allow to be taken any measure which would result in the deliveries made in execution of the present arrangement being placed at a disadvantage in comparison with ordinary commercial transactions with the Allied country concerned.

ARTICLE XIV.

The Allied Governments who adopt the present arrangement and the German Government bind themselves to take all possible steps to prevent collusion, fraud or any breach of the clauses of the present arrangement and for the purpose will aid and assist one another; with this end in view they will interchange through the Reparation Commission all useful information.

ARTICLE XV.

Nothing in this agreement shall be held to preclude any Allied Government from exercising (subject to any rights enjoyed, under existing commercial treaties or agreements, in the territories of any State adopting this agreement, by other States) its rights to grant its nationals reductions on Customs dues or to give its sinistrés the benefit of any advantages provided for by its own legislation.

Except for such reductions or advantages, no other direct or indirect rebate on the invoice price shall be granted to Allied nationals save in exceptional cases or where it is absolutely necessary; the German Government shall be informed in good time of the rate of the rebates so granted.

ARTICLE XVI.

The Reparation Commission and the German Government shall keep in touch with one another for the purpose of securing that the value of the payments made and to be made by the German Government in the current financial year under the present arrangement, added to the value of the other payments and deliveries made and to be made by the German Government during the same period, does not exceed the obligations of Germany as fixed for the said period.

ARTICLE XVII.

All deliveries effected in execution of the present arrangement shall be considered in all respects as deliveries in kind effected in execution of Part VIII of the Treaty of Versailles.

ARTICLE XVIII.

The Allied Powers who are to adopt the procedure laid down in this Arrangement must obtain the consent of the German Government in the event of it being intended to maintain or create in Germany official Allied organisations to provide for the application of this arrangement. It is understood that neither this, nor any other similar restriction will apply to consular organisations, the rights and functions of which will remain unchanged and will in no way be affected by this arrangement.

ARTICLE XIX.

The Reparation Commission shall decide any question which may arise in the application of the present arrangement between any Allied Government who adopt the procedure set up by the arrangement, or between one or more of these Governments and the German Government.

ARTICLE XX AND LAST.

The present arrangement shall come into force when the German Government notifies the Reparation Commission that the law of the Commonwealth concerning the application of the said arrangement has been published.

Signed in French and in German. In case of divergence between the two texts of the arrangement and its annexes, the French text shall be authentic.

Paris, June 2, 1922. (Signed) BEMELMANS.
CUNTZE.

ANNEX "A."

(*See* Article V.)

1. Artificial and natural manures excepting potassic manures, not mixed with other artificial manures.
2. Fodder of all sorts.
3. Cereals and vegetables suitable for fodder except those employed for seeding(1).
4. Animals and food stuffs of animal origin except saltwater fish, dogs and birds (excepting poultry).
5. Milk, butter, cheese, eggs and honey.
6. Wood of every description, except manufactures of wood.
7. Fruits yielding oil.
8. Edible oils and fats.

(1) Authorisation may be given according to the state of production.

9. Potatoes, roots of every description and edible plants.
10. Fruits.
11. Sugar of every kind.
12. Rice, raw and decorticated, excepting products derived from rice.
13. Milling products (except products of rice) and farinaceous vegetables.
14. Beer.
15. Wine made from fruit (excepting grape wine) in quantities greater than 1,000 litres.
16. Starch and starch products with the exception of rice starch.
17. Yeast.
18. Coffee substitutes.
19. Pastry, confectionery, preserved meats, vegetables and fruits(1).
20. Cement manufactured from home coal.
21. Scrap of steel and iron.
22. Paraffin.
23. Benzol.
24. Leather.
25. Articles for the boot and shoe trade.
26. Home produced skins.
27. Home produced tanning bark.

ANNEX "B."(2)

(*See* Article VII.)

List of merchandise containing such a high proportion of material imported from abroad that delivery can only be effected against payment in cash equivalent to the value of the foreign raw materials contained in the said merchandise.

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
	I	
Semi-manufactured products in—		
(*a*) lead	851	70
	852	,,
	854 a (pipes only)	,,
(*b*) zinc	856	85
	857	,,
	858	,,
	859 a (pipes only)	,,

(1) Authorisation may be given according to the state of production.

(2) The original text of annex B was, in accordance with a reserve inserted in it, examined at conferences between Allied and German experts. The above text is the result of the modifications introduced in the course of these conferences.

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
Semi-manufactured products in—*cont.*		
(*c*) tin	861	90
	862	,,
	863 a (pipes only)	,,
	863 c	,,
(*d*) nickel	865	,,
	866	,,
	868 (pipes, sockets, unions, corresponding to No. 867 in the import schedule) ...	,,
(*e*) copper	870 a and b	75
	871 a and b	70
	872	,,
	873	,,
	877 c and d	60
	881 a and b	70
	882 a and b	,,
(*a*) Aluminium Al_2O_3 (1)	298 a	35
(*b*) Lead	850	95
Zinc	855 a and b	95
Tin	860	95
Nickel	864	,,
Crude copper and other non-ferrous crude metals.	869 a, b, c, d, e, f	,,
II		
(*a*) Heavy and light copper and copper-alloy articles.	874 a and b	30
	875	,,
	876	,,
	877 a and b	,,
	878 a and b	,,
	879	,,
	880 a and b	,,
	884 a and b	,,
	885 a and b	,,
	886	,,
	887 a and b	,,
(*b*) Heavy and light tin goods ...	863 a and b	90
(*c*) Heavy and light nickel goods ...	868	30
	885 a	,,
III		
Plant for breweries, malthouses, distilleries and sugar refineries.	906 f, g, h	35
IV		
Accessories for boilers, and piping	804, 805	35
V		
(*a*) Insulated wire	890 a (all electric wire except cables)	55
(*b*) Cables	909	
Underground cables... ...	... ...	60
Submarine cables	... ...	75 (maximum)

(1) Raw materials having undergone only a slight change in Germany.

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
(*c*) Accumulators and spare parts ...	908 a and b	40
Electrical machinery (dynamos, motors, etc.), including uncharged static transformers.	907 a, b, c, d, e	25% (1)
Static transformers charged with oil.	,, ,, ...	35% (1)
VI		
Electrodes for electric ovens—		
(*a*) containing more than 97 per cent. of pure carbon.	ex No. 648 b	80
(*b*) not included in (*a*)	Do.	65
VII (2)		
(*a*) Crude cast-iron	777 a and b	45
(*b*) Crude steel	784 including only cast pigs and blooms	40
VIII (2)		
Rolled steel	784 remainder	30
	785 a and b	,,
	786 a, b, c	,,
	787 except enamelled and lacquered sheets	,,
	788 a, b, c	,,
	789 a and b	,,
	790	,,
	791 a and b	,,
	792 a and b (except enamelled and lacquered wire)	,,
	794	,,
	795 a and b	,,
	796 a, b, c, d	,,
	797 a and b	,,
IX		
Boric acid and borate of soda ...	275	40
Tartaric acid and cream of tartar ...	279 a, 311	50
Citric acid	279 b	55
Iodides	284	80
Oxide of lead	300	75
Oxide of tin	301	80
Salts of tin	317 r	80
Sugar of lead	310	40
Salts of antimony and tartar emetic	312	65
Tannin (tannic acid) ... ... (gallic acid)	317 g	70
Salts of gold	317 h	95

(1) Figures to be revised if necessary on 1st April, 1923.
(2) These percentages will be re-examined before 1st July, 1923.

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
Salts of silver	317 q	90
Nitrate of lead	302 part	60
Salts of bismuth	317 s	65
Mercury compounds:—		
Sublimate	317 s part	65
Calomel		
Red oxide of mercury		
Compounds of molybdenum and tungstic acid	317 s part	40
Red lead	324 a	75
White lead	324 b	60
Copper sulphate	296	65
Vermillion (red cinnabar-sulphide of mercury).	327	90
Sulphur fuses, mine fuses of all kinds.	370	60
Tannin extracts:		
Sumac	384 b, c	„
Quebracho		
Rare mineral salts:		
Thorium nitrate	317 s part	50
Cerium and tungsten salts ...		
Schweinfurth green		
Copper arsenite	309 part	65
Chromium and copper pigments ...	332 a, b	70
Manganese oxide	237 h	75
Zinc, white	326 a	70
Wood or bark for tanning or dyeing (quebracho, sumac, or others, provided they are ground, grated or otherwise reduced)	ex 91, ex 92, ex 93, ex 94 ...	90

X

(*a*) Colza and rape-seed oil	166 a	85 (1)
(*b*) Linseed oil	166 b	85 (1)
(*c*) Beech-nut oil	166 c	80 (1)
(*d*) Pea-nut and sesame oil	166 d	80 (1)
(*e*) Olive-, sesame-, pea-nut-, rape-seed- and other oils in barrels, except the foregoing.	ex 166, ex 167	80 (1)
(*f*) Cocoa-butter	168	80 (1)
(*g*) Nutmeg butter	169	80 (1)
Bayberry oil		
(*h*) Cotton-seed margarine	170	85 (1)
(*i*) Palm-seed oil	171 b	85 (1)
(*k*) Coco butter and oil	171 c	80 (1)
(*l*) Mowrak oil and butter	171 d	80 (1)
(*m*) Vegetable butter	205 b	80 (1)
(*n*) Oleine and oil residue	172	70
(*o*) Stearic, palmicic, margaric and other acids.	250 a	30
(*p*) Soaps, liquid soaps, etc. ...	254, 255	50

(1) To be revised on 1st July, 1923.

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
(*q*) Other products similar to soap, special soaps.	256	60
(*r*) Glycerine	257 a and b	40
(*s*) Paraffin, vaseline and lanoline ointments.	258	40
(*t*) Other ointments	260	65
(*u*) Oil varnish	341	75
(*v*) Lacquer varnish and lacquers ...	343	50
(*a*) Mineral lubricating oils, heavy crude benzine, benzine gas oil, gasoline, etc.	239 a, f, g	90
(*b*) Beeswax and other insect wax, unprepared.	141	95
(*c*) Vegetable wax and bleached beeswax.	247 a, b	95
(*d*) Lard and fish oils, whale oil, etc.	131	95
(*e*) Quinine bark and other products in so far as they are not included in Annex VI to Part VIII of the Treaty.	72 a, b, c	90
XI		
(a) *Rubber*:—		
Rubber solution	570	60
Regenerated rubber and soft paste.	571	60
Rubber sheets and slabs	572	60
Elastic thread	573	60
Motor-car inner tubes	574 a	35
Cycle inner tubes	574 b	35
Rubber tubing and pipes	574 c	35
Rubberised belting	575	50
Rubberised tarpaulins	576	50
Rubber footwear	577	45
Solid tyres with iron band ...	578 a	25
,, ,, without iron band ...	578 a	40
Motor tyres	578 a	40
Tyres for other vehicles	578 c	40
Other rubber goods	579 a	60
Rubber unions and packing ...	579 b	35
Elastic webbing	580	40
Rubberised cloth for printing and carding machines.	581	60
Vulcanised rubber for dentistry ...	583	35
Vulcanised rubber	584	35
Vulcanised rubber tubing	585	35
Other vulcanised rubber goods ...	586	35
(b) *Asbestos*:—		
Asbestos paper and boarding in sheets, rolls or slabs.	705	45
Asbestos thread and tape ...	706	45
Asbestos fabric	707	45
Other asbestos goods (Klingerite)	708	45

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
(c) *Cork*:—		
Cork dust or waste	635	55
Cork slabs, unstripped	636	55
Cork slabs, stripped	637	55
Cork goods	638	55
XII (1)		
(a) *Silk*:—		
Thread (exclusive of artificial silk).	398, 400	85
Thread prepared for the retail trade (exclusive of artificial silk).	400	80
Fabrics, by the piece or by the metre (except embroidered articles).	401, ex 402, ex 403, 404, 405, 408 (except those specified separately above)	50
Raw material having undergone but slight preparation.	392, 393, 397	95
Knitted goods, by piece or by the metre.	ex 409	50
Light fabrics (gauze, etamine, tulle, etc.).	406, 407, ex 408	45
Machine-embroidered fabrics and machine-made lace.	ex 410, ex 411	35
Semi-finished articles	ex 402, ex 403	45
(b) *Wool, cotton and other textiles*:—		
Thread	417 to 425 inclusive, 417, ex 515, 439 to 443 inclusive, 472 to 482 inclusive	65
Prepared thread	426, 444, 483	60
Fabrics	427, 429, 431, 432, ex 516, ex 445, 446 to 449 inclusive, 453 to 457 inclusive, 503, 486, 487, ex 488, ex 489, 490 to 498 inclusive	45
Knitted goods by piece or by the metre, etc.	435, ex 434, ex 435, 458, ex 460, ex 463, ex 500 ...	45
Woollen carpets	428	55
Woven felts or unwoven felts ...	ex 513, ex 514, 449 ...	45
Linoleum and oilcloth	504 to 510	45
Light fabrics (gauze, etamine, tulle, etc.).	ex 436, 450, 452, 499 ...	35
Machine-embroidered fabrics and machine-made lace.	ex 436, ex 437, ex 464, ex 465, ex 501, ex 502 ...	30
Semi-finished goods	430, ex 445, 451, ex 488, ex 489	40
Textiles having undergone little change:—		
Cotton-wool	ex 511, 512	75

(1) To be revised before 1st July, 1923.

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
Textiles having undergone little change—*contd.*		
Carded or combed cotton including mill waste	ex 438	85
Washed wool and other animal textiles.	ex 144, ex 145	95
Carded or combed wool and other animal textiles.	ex 413, ex 416, ex 528, ex 529	85
Vegetable textiles retted, stripped, etc.	ex 470, ex 471	95
Combed or carded vegetable textiles.	ex 470, ex 471	85
	XIII (1)	
(a) *Silk*:—		
Non-rubberised tape, string, tubing, buckets, and similar articles.	—	45, 55
Ordinary knitted goods (not included in XII).	371, ex 409, 412, not enumerated above	40
Other articles (clothing, lingerie)	ex 391 to 543	30
(b) *Wool, cotton, other vegetable textiles*:—		
Tape, string	ex 516, 466, 484	50
Tubing, pipes, buckets and similar articles not rubberised.	ex 530, 461, 462, 467, 468, 485	40
Ordinary knitted goods (not included in No. XII).	ex 434, ex 435, ex 437, 571, 459, ex 460, ex 463, 469, 371, ex 500, ex 502 ...	35
Felt hat shapes, untrimmed ...	540	40
,, ,, trimmed ...	537 to 539	30
Other articles (clothing, lingerie)	articles not enumerated above, ex 391 to 543 ...	25
	XIV	
Pelts and furs:		
(*a*) Common skins	563 (2)	40
	564 (2)	30
	565 (2)	25
(*b*) High-class skins	563 (2)	75
	564 (2)	75
	565 (2)	65
	XV	
(a) *Leather*:—		
Prepared or finished belting ...	557	60
Leather garments	559	35
Harness, including saddles and parts of leather harness.	ex 560	40
Other leather articles connected with saddlery, morocco leather manufacture, trunk-making, wholly of leather or lined with textile or similar material.	ex 560	50

(1) Figures to be revised on 1st July, 1923.

(2) Subject to completion in respect of martin, river-otter, oppossum and mongolie.

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
(*a*) *Leather*—cont.		
Other saddlery or trunk goods consisting for the greater part of leather.	ex 560	30
(b) *Gloves*:—		
Skin gloves	562	40
(c) *Stuffed Animals*:—		
Stuffed foreign animals	ex 566	35
XVI		
Brooms, brushes, paint brushes, feather dusters, etc.	596, 597, 598, 599	50
Plaited goods, sieves, etc. (exclusive of metal sieves and bolting cloth).	588 a and b, 589, 590, 591, 592, 600	30
Materials for brush-making and plaiting, etc.	68, 69, 84, 145 b, 145 c, 146, 413 d, 413 e, ex 413 g, 515, 528, 642	85
XVII (1)		
(*a*) Chewing tobacco	220 f part	25
(*b*) Smoking tobacco	220 e	50
(*c*) Snuff	220 f part	50
(*d*) Cigarettes	220 h	50
(*e*) Cigars	220 g	35
XVIII		
(a) *Furniture and casks*:—		
Furniture made from tropical timber.	ex 626, ex 627, ex 630, ex 631, ex 632, ex 633 ...	25
Oak casks	ex 623	25
(b) *Pencils* of cedar wood and graphite.	ex 340	25
(c) *Writing slates*, framed or unframed.	688 b	50
(d) *Sea sponges*, prepared	139 b	70
Sponges merely beaten or washed	159 a	85
(e) *Buttons;* miscellaneous:—		
Manufactured from imported material.	ex 412	35
Horn, horny mace, or bone ...	611	35
Corozo and other similar nuts ...	646 a and b	40
(f) *Ivory, horn, tortoiseshell, etc.*:—		
Ivory goods	602	35
Tortoiseshell goods	604	35
Real whalebone goods	ex 609	35
Goods made from imported animal material and suitable for carving	ex 614	35
Meerschaum goods	709	35
Amber goods	712	35
Horn, ivory, whalebone	156	85
Ivory in slabs	601	85
Tortoiseshell in slabs	603	85
Whalebone in blades or slabs (busk)	ex 609	80
Similar imported material in slabs	ex 613	80

(1) Subject to a decision of principle.

ANNEXE

1.

SOUCHE.

N° _____ B Frs. [redacted]

Ausgestellt für

_____

_____

B. Frs. [redacted]

Kurs vom _____

1 B. Fr. = P. M.

1 B. Fr. = G M.

Gegenwert:

P. M. [redacted]

G. M. [redacted]

Berlin, den _____

Der Reichskommissar zur Ausführung von Aufbauarbeiten in den zerstörten Gebieten.

(*Unterschrift.*)

LIEFERVERTRAG.

V.	N°.	belg. Besteller.

2.

ZAHLUNGSANWEISUNG.

N°_____ B. Frs. [redacted]

An die Friedensvertrag-Abrechnungsstelle G. m. b. H.

BERLIN.

Der hierzu gehörige Scheck auf den Namen des deutschen Lieferanten _____

_____

_____

Im Papiermarkgegenwerte von

B. Frs. [redacted]

Ist auf Grund der Vereinbarung mit der Reparationskommission vom _____ 1922 heute auf Sie ausgestellt und der belgischen Regierung übergeben worden.

Um Einlösung des Schecks bei Vorkommen wird gebeten.

Berlin, den _____

Der Reichskommissar zur Ausführung von Aufbauarbeiten in den zerstörten Gebieten.

(*Unterschrift.*)

LIEFERVERTRAG.

V.	N°.	belg. Besteller.

3.

TALON.

N°_____ Frs. B. [redacted]

A la Commission des Réparations. — Servi financier.

PARIS.

Le chèque afférent à ce talon émis sur la Fr densvertrag-Abrechnungsstelle G. m. b. Berlin a été délivré ce jour au Gouvern ment belge.

Au nom de Mr. (Firme) : _____

_____

_____

Contre-valeur en marks-papier du montant Frs. B. [redacted]

Cours du : _____

Berlin, le _____

Der Reichskommissar zur Ausführung v Aufbauarbeiten in den zerstörten Gebiete

(*Unterschrift.*)

COMMANDE.

Du	N°.	Commettant.

ANNEXE «C».

N.

[redacted]

perations. — Service

PARIS.

dem émis sur la Frie-
gstelle G. m. b. H.
jour au Gouverne-

[redacted]

pier du montant de

[redacted]

ar Ausführung von
zerstörten Gebieten.

(*Unterschrift.*)

IDE.

Commettant.

4.

AVIS.

N° Frs. B. [redacted]

A la Friedensvertrag-Abrechnungstelle G. m. b. H.

BERLIN.

Le chèque ci-dessus émis par le Reichskommissar zur Ausführung von Aufbauarbeiten in den zerstörten Gebieten, Berlin,

Au nom de Mr. (Firme) :

A été délivré aujourd'hui au ressortissant belge.

Mr.

Bruxelles, le

Royaume de Belgique.

(Ministère des Affaires).

(*Signature*)

Diese Zahlungsanweisung ist nicht mit Indossament übertragbar.

Ce bon de payement n'est pas négociable par endossement.

Dieser Scheck ist spätestens innerhalb einer Frist von vier Wochen nach dem unten bescheinigten Datum der Aus-händigung an den alliierten Staatsangehörigen bei der Friedensvertrag-Abrechnungstelle, Berlin zu Zahlung vorzulegen.

Ce chèque est à présenter à l'encaissement après de la Friedensvertrag-Abrechnungstelle, Berlin, dans le délai de quatre semaines à courir de la date de remise au ressortissant allié certifiée ci-dessous.

Nr. Frs. B. [redacted]

Die Friedensvertrag-Abrechnungstelle G. m. b. H.
La
BERLIN.

wolle sablon aus meinem Guthaben gegen diesen Scheck
veuille payer contre ce chèque

an Herrn (Firma) :

à *Monsieur* (*Firme*)

oder Überbringer
ou au porteur

Den Papier-markgegenwert von :

La contre-valeur en marks-papier de :

B. Frs. [redacted]

zum Kurse der Federal-Reserve-Bank, New York.
d'après le cours de change de la Federal-Reserve-Bank, New-York,

vom und für den
du *à m débiter*

Goldmarkgegenwert belasten das Konto der Reparations-Kommission.
de la valeur en marks-or le compte de la Commission des Réparations.

Berlin, den

Der Reichskommissar zur Ausführung von Aufbauarbeiten in den zerstörten Gebieten.

Unterschrift)

Dieser Scheck wurde heute den Staats angehörigen Herrn ohne jede Verantwortung für die Regierung ausgehändigt.

Ce chèque a été délivré ce jour au ressortissant M. , sans aucune responsabilité pour le Gouvernement .

Bruxelles, le

(L. S.) (*Signature*)

Wert erhalten.

, den

3.

2.

Kurs vom .....

1 B. Fr.	=	ℳ
1 P. M.	=	ℳ
1 G. M.	=	ℳ 0,238,216
1 B. Fr.	=	P. M.
1 B. Fr.	=	G. M

Belg. Frs. .....

P. M. .....

G. M. .....

Wertstellung auf Reparations-Konto .....

.....

(Zahlung ausgeführt am .....)

Berlin, den .....

Friedensvertrag-Abrechnungsstelle G. m. b. H

1.

Brief Description of Article.	Number in German Customs Schedule now in force. (Export.)	Percentage Refund allowed.
(g) *Mother-of-pearl*:—		
Semi-finished materials	605	80
Manufactured goods:		
True mother-of-pearl, white ...	606	55
,, ,, ,, black ...	—	25
Top shells or similar shells ...	—	35
(h) *Ornamental feathers*:—		
Of foreign origin	ex 148, ex 149	85
Do.	ex 531	40

ANNEX "D."

Procedure of Payment.

I.

At the times fixed in the contract (or the supplementary contract) for the different payments, the German Government shall send to the Allied Government concerned, on a request transmitted by the Reparation Commission, the cheques provided for by Article XII. These cheques, payable only in paper marks, shall be made out in the currency provided for in the contract.

From the point of view of the regulation of German foreign trade, these payments shall be considered as payments made in foreign currencies.

The German Government shall, at the same time, send to the Reparation Commission counterfoil No. 1.

If the contract (or the supplementary contract) provides for an immediate payment, the German Government shall, on their own initiative, send the corresponding cheque before the expiration of fourteen days (eight days).

II.

The Allied Government will, after coming to an agreement with its national, send the cheque to him and will at the same time send counterfoil No. 2 to the banking organisation designated by the German Government.

III.

The Allied contracting party shall send the said cheque to the German contracting party at the date and to the address specified, and the cheque shall be paid on presentation by the banking organisation designated by the German Government.

IV.

The cheques so paid shall then be sent to the Reparation Commission, who will credit the German Government by the debit of the Allied Government concerned with the equivalent in gold marks of the payment made. The date of the credit shall be the date on which the payment is made.

V.

All conversions into gold marks and the conversions into paper marks of any sum specified in the contract (or supplementary contract) shall take place on the same day and, unless otherwise agreed between the Reparation Commission and the German Government, at the midday rate of exchange published by the Federal Reserve Bank of New York on the tenth day following that on which the Allied Government transmits the cheque to its national. This date will be entered by the Allied Government on the cheque and on the counterfoil.(1)

VI.

The financial adjustments necessitated by the execution or the non-execution of the contract will not be made by direct payments between the parties concerned, but shall be settled in the following manner:

(*a*) If the balance is in favour of the German contracting party, the payment shall be made on the demand of the Reparation Commission, who will credit the German Government with the amount, payment and credit to be in accordance with the procedure of this Annex;

(*b*) In the contrary case, the Allied contracting party shall cause the balance to be repaid to the German Government which shall be duly debited therewith by the Reparation Commission on the demand of the Allied Government concerned.

VII.

All the parties concerned shall always have the right in proper legal form and at their own risks and perils to request that payment of these cheques may be stopped.

DECISION OF THE REPARATION COMMISSION OF JUNE 16, 1922.

The Commission approves the arrangement signed by M. Bemelmans concerning the application of Part VIII of the Treaty of Versailles relative to deliveries in kind.

(1) The above text of Article V was agreed to by M. Bemelmans and Herr Cuntze, on the 25th of August, 1922, and both the Reparation Commission and German Government approved its substitution for the original text.

3.

BERLIN AGREEMENT OF MARCH 15, 1922, BETWEEN THE FRENCH GOVERNMENT AND THE GERMAN GOVERNMENT.

PROTOCOL.

The attached Agreement has been signed to-day between, Monsieur GILLET du Cabinet du Ministre des Régions libérées, Contrôleur de l'Armée, representing the French Government;

and

Dr. RUPPEL, Geheimer Regierungsrat, of the Ministry for Reconstruction, representing the German Government.

This Agreement will be submitted to the two Governments for approval.

Given in two copies at Berlin, this fifteenth day of March, one thousand nine hundred and twenty-two.

(Signed) GILLET,
RUPPEL.

AGREEMENT.

1. The French Government is especially anxious that deliveries in kind shall be made by Germany according to a procedure which shall be rapid and easily adaptable to circumstances.

On its side, the German Government wishes to collaborate in all good faith in the work of reconstruction in the devastated regions.

It has therefore been decided between the two Governments as follows:

2. The deliveries in kind to be made in execution of the Wiesbaden Agreement of October 6, 1921, will, in regard to the placing and execution of orders and the determination of prices, be governed by the procedure laid down in the Agreement signed at Berlin on February 27,[1] 1922, by M. Bemelmans and Herr Cuntze (in so far as this Agreement has not been denounced in regard to its application to France), the provisions of the Wiesbaden Agreement being maintained in their entirety for the balance.

3. The deliveries to which the provisions of the Agreement of February 27,[1] 1922, do not apply will be effected in accordance with the procedure laid down by the Wiesbaden Agreement.

4. The French and German Governments are agreed that the placing of orders with any one firm or in any one region in preference to others would be incompatible with the spirit of the Agreement of February 27,[1] 1922, if it resulted in improper

[1] The arrangement of February 27, 1922, was a Draft Agreement between the Reparation Commission and the German Government concerning deliveries in kind. This arrangement was drawn up in final form on June 2, 1922. (*See* page 14.)

allocation. It is understood that the German Government does not consider itself obliged to adhere to a system of uniform allocation.

The French and German Governments confirm their intention of not bringing any pressure to bear on their nationals with a view to favouring the placing of orders with any one firm or in any region in preference to others. They undertake to leave the distribution of orders exclusively to the influence of the open market and to take no measures whatsoever of a nature to interfere with these operations. If, however, one or other of these Governments were to take measures contrary to the above undertaking, it is agreed that the contracts in respect of which it may be determined that their signing is a direct consequence of such measures, would be considered as " being ccntrary to the Agreement of February 27,(1) 1922, or to any supplementary agreements," within the meaning which sub-paragraph (*a*), paragraph 3, Article IX, of the Agreement of February 27, 1922, attaches to this expression.

5. The organisations A and F referred to in the Wiesbaden Agreement as " organismes de droit privé " may, at the will of each of the Governments respectively concerned, be either " organismes de droit privé " or administrative organisations.

6. If the French or German Government should wish to maintain or create on each other's territory official organisations to deal with the execution of the Agreement of February 27,(1) 1922, they must come to an agreement in the matter. It is understood that neither this nor any similar restriction applies to consular organisations, the rights and functions of which remain unchanged without in any way being affected by the present Protocol.

7. The French Government will recommend the present Protocol to the Reparation Commission for approval.

8. The signatures of the French Minister of the Liberated Regions and of the German Minister for Reconstruction affixed to the two copies of the present Protocol shall signify the approval by their respective Governments of the terms of the said Protocol, each of the signatories reserving the right to submit it at his discretion to his respective Government for ratification.

(Signed) GILLET,
Dr. RUPPEL.

DECISION OF THE REPARATION COMMISSION OF MARCH 31, 1922.

The Protocol and the draft Agreement were approved subject to any amendments that might be necessary as a result of the amendments made to the document to which they refer.

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(1) *See* footnote to previous page.

4.

AGREEMENT OF JUNE 6—9, 1922, BETWEEN THE FRENCH GOVERNMENT AND THE GERMAN GOVERNMENT.

ARRANGEMENT.

The French Government and the German Government, wishing to bring into concord the text of the Agreement concluded between them on March 15, 1922, and that of the Agreement signed by the Reparation Commission and the German Government on June 2, 1922, and desirous of obviating all possible misunderstanding, have agreed as follows:

1. In the Agreement initialled on March 15, 1922, wherever mention is made of the Agreement initialled on February 27, 1922, by M. Bemelmans and Herr Cuntze, the Agreement signed by them on June 2, 1922, is to be understood.

2. The clause provided for in the Agreement of June 2, 1922 (Article VIII, sub-paragraphs 3 and 4), and the insertion of which is compulsory in contracts or riders, must, in respect of contracts or riders concluded between French and German nationals, be drafted as follows:

> "It is expressly agreed between the parties that the goods to which the present contract relates are intended to be employed exclusively in the reconstitution of real or personal property in all the devasted regions of continental France."

3. Since the Agreement of March 15, 1922, concerns only French sinistrés, the provisions of the Agreement of June 2, 1922, which refer to a partial payment in cash (Article VII and the appended List B) are applicable to French nationals only in so far as concerns orders which could be proved to relate to the reconstitution of commercial stocks.

4. It is expressly understood that the provisions of the Wiesbaden Agreement which are maintained by the terms of Article II of the Agreement of March 15, 1922, are those which do not concern the placing and execution of orders and the fixing of prices, and that they include in particular those which refer to the sums to be credited to Germany and those which are inserted in Article VII of the Wiesbaden Memorandum of October 6, 1921.

5. The signatures of the French Minister of the Liberated Regions and of the German Minister of Reconstruction affixed to the two copies of the present rider signify the approval of the terms of the said rider by their respective Governments, with the reservation by both parties of the right to have it ratified by the legislative bodies if necessary.

In case of discrepancy between the French and German texts of the Agreement of March 15, 1922, of the present rider and of the documents to which they refer, the French text shall be authentic.

The present rider was initialled in two copies, at Paris, on June 3, 1922, by:

M. GILLET, *Comptroller*,
Representing the French Government,

and

DR. RUPPEL, *Geheimrat*,
Representing the German Government.

(Initialled) GILLET.
Paris, June 9, 1922.

(Signed) Ch. REIBEL.
Minister of the Liberated Regions.

(Initialled) RUPPEL.
Berlin, June 6, 1922.

(Signed) MULLER.
Minister of Reconstruction.

DECISION OF THE REPARATION COMMISSION OF JUNE 27, 1922.

The Reparation Commission approves the rider of June 6-9, 1922, to the arrangement of March 15, 1922, arrived at between the French and German Governments, on the understanding:

(1) *That the deliveries made by Germany under this arrangement and under the Wiesbaden Agreement are solely for use in the reconstruction of the devastated regions of France; and*

(2) *That for the purpose of calculating the deferred debits to France provided for in the Wiesbaden Agreement, as applied in conformity with Article 4 of the Financial Agreement of March 11, 1922, the value of the deliveries made under the Wiesbaden Agreement, the arrangement of March 15, 1922, and under Annexes III, V, and VI(1) shall alone be taken into account, to the exclusion of the value of deliveries under Annex II.(1)*

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(1) Treaty of Versailles, Part VIII.

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